

A bill for an act
relating to commerce; regulating public adjusters; modifying the notice of
cancellation and prohibited practices; regulating insurance claims for residential
roofing goods and services; amending Minnesota Statutes 2008, section 72B.135,
subdivisions 2, 4; proposing coding for new law in Minnesota Statutes, chapter
325E.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2008, section 72B.135, subdivision 2, is amended to read:

Subd. 2. **Writing required; notice of right to cancel; notice of cancellation.** (a)
Before entering a contract referred to in subdivision 1, the public adjuster must:

(1) furnish the homeowner with a statement in boldface type of a minimum size of
ten points, in substantially the following form:

"You, the homeowner, may cancel this contract at any time within ~~48~~ 72 hours after
the contract has been signed between the homeowner and the public adjuster. See attached
notice of cancellation form for an explanation of this right."; and

(2) furnish each homeowner, a fully completed form in duplicate, captioned,
"NOTICE OF CANCELLATION," which shall be attached to the contract and easily
detachable, and which shall contain in boldface type of a minimum size of ten points
the following information and statements:

"NOTICE OF CANCELLATION

.....

(enter date of contract)

If you do not want to go forward with the contract with the public adjuster, you may
cancel the contract by mailing or delivering a signed and dated copy of this cancellation
notice or any other written notice, or send a telegram to (Name of Public Adjuster), at

(Address of Public Adjuster's Place of Business) not later than midnight of (Date). If you cancel, any payments made by you under the contract will be returned within ten business days following receipt by the public adjuster of your cancellation notice.

I HEREBY CANCEL THIS TRANSACTION.

.....

(date)

.....

(Homeowner's signature)"

Sec. 2. Minnesota Statutes 2008, section 72B.135, subdivision 4, is amended to read:

Subd. 4. **Prohibited practices.** No public adjuster shall:

(1) pay money or give anything of value to a person in consideration of a direct or indirect referral of a client or potential client;

(2) pay money or give anything of value to a person as an inducement to refer business or clients;

(3) rebate to a client a part of a fee specified in an employment contract;

(4) initiate contact with a prospective client between the hours of 8 p.m. and 8 a.m.;

(5) split the fee received or pay money to a person for services rendered to a client unless the other person is also licensed as a public adjuster;

(6) have an interest directly or indirectly in a construction firm, salvage firm, or appraisal firm. "Firm" includes a corporation, partnership, association, or individual firm;

(7) in connection with the transaction of business as a public adjuster, make a willful or knowing misrepresentation of facts or advise a person on questions of law;

(8) make willful or knowing false statements about an insurance company or its employees, agents, or representatives;

(9) solicit employment of a client in connection with a loss that is the subject of an employment contract with another public adjuster;

(10) represent both an insurer and insured simultaneously; ~~or~~

(11) advance money to a client pending the settlement of a loss where the amount would be included in a final settlement;

(12) receive a commission that exceeds ten percent of the amount of the insurance settlement on the claim;

(13) receive a commission consisting of a percentage of the total amount paid by an insurer to resolve a claim on a claim on which the insurer, not later than 72 hours after the date on which the loss is reported to the insurer, either pays or commits in writing to pay to the insured the policy limit of the insurance policy;

3.1 (14) sign and endorse any payment draft or check on behalf of an insured; or
3.2 (15) solicit or attempt to solicit a client for employment during the progress of a
3.3 loss-producing natural disaster occurrence.

3.4 Sec. 3. **[325E.66] INSURANCE CLAIMS FOR RESIDENTIAL ROOFING**
3.5 **GOODS AND SERVICES.**

3.6 Subdivision 1. **Payment or rebate of insurance deductible.** A residential roofer as
3.7 defined in section 326B.802, subdivision 14, providing goods and services to be paid by an
3.8 insured from the proceeds of a property or casualty insurance policy, shall not advertise or
3.9 promise to pay or rebate all or part of any applicable insurance deductible. If a residential
3.10 roofer violates this section, the insurer to whom the insured tendered the claim shall not be
3.11 obligated to consider the estimate prepared by the residential roofer.

3.12 Subd. 2. **Violation.** If a residential roofer violates subdivision 1, the insured or
3.13 the applicable insurer may bring an action against the roofer in a court of competent
3.14 jurisdiction for damages sustained by the insured or insurer as a consequence of the
3.15 residential roofer's violation.